



May 18, 2006

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROPRIATION ADJUSTMENT TO THE DEPARTMENT OF HEALTH
SERVICES' FISCAL YEAR 2005-06 BUDGET**
(First District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve an appropriation adjustment to the Department of Health Services' Fiscal Year (FY) 2005-06 Final Budget to reflect various refinements in the LAC+USC Healthcare Network's operating plan.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended action, the Board is increasing the Services and Supplies (S&S) appropriation, funded by a reduction in Salaries and Employee Benefits (S&EB) appropriation, to align LAC+USC Healthcare Network's funding levels to more accurately reflect the anticipated operational costs for FY 2005-06.

The projected deficit in S&S of \$12,893,000 is attributable to increased contract registry cost, primarily for nursing personnel. Registry usage has steadily grown as the result of state mandated licensed nurse-to-patient ratios for general acute care hospitals (Assembly Bill 394), and the inability to fill vacant County nursing positions.

Surplus appropriation exists in the LAC+USC Healthcare Network's S&EB to fund the increase in S&S.

FISCAL IMPACT/FINANCING:

The attached appropriation adjustment increases LAC+USC Healthcare Network S&S appropriation by \$12,893,000 offset by a \$12,893,000 reduction in S&EB appropriation. The appropriation adjustment does not increase County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Not applicable.

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

*To improve health
through leadership,
service and education*



www.ladhs.org

Honorable Board of Supervisors
May 18, 2006
Page 2

CONTRACTING PROCESS:

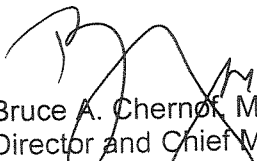
Not applicable.

IMPACT ON CURRENT PROGRAM SERVICES (OR PROJECTS):

Not applicable.

When approved, this Department requires three copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:rmc (M:\WORD\Budget\05-06\LAC-USC-SandS-BA1.DOC)

Attachment

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. _____

DEPARTMENT OF Health ServicesDATE 05/12/2006

AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

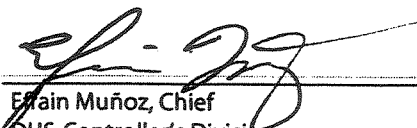
Fiscal Year 2005-06
3-VOTE

Please see attached for details.

JUSTIFICATION:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
05/12/06


Efraim Muñoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER
FOR:

☐ ACTION☐ RECOMMENDATION

AUDITOR-CONTROLLER No. _____

BY: _____

APPROVED AS REQUESTED ☐AS REVISED ☐

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

CHIEF ADMINISTRATIVE OFFICER

BY: _____

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. _____

DEPARTMENT OF Health ServicesDATE 05/12/2006

AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

Fiscal Year 2005-06
3-VOTE

Please see attached for details.

JUSTIFICATION:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
05/12/06
Efraim Muñoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER
FOR:☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER No.

365

BY:

Mike Long5-18-06APPROVED AS REQUESTED ☒AS REVISED ☐May 18, 2006APPROVED (AS REVISED):
BOARD OF SUPERVISORS
DAVID F. HANSEN
CHIEF ADMINISTRATIVE OFFICER

BY:

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2005-06

Dept No. 160

(3-VOTE)
FY 05-06

Sources:

LAC+USC Healthcare Network
Salaries & Employee Benefits
MN4-HG-60010-1000 \$12,893,000

Uses:

LAC+USC Healthcare Network
Services & Supplies
MN4-HG-60010-2000 \$12,893,000

Justification:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
5/16/06
m:\excel\budget\05-06\LAC+USC-SandS-BA1.xls


Efrain Munoz, Chief
DHS Controller's Division

BA # 365 *John Terry*
5-18-06

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2005-06

Dept No. 160

(3-VOTE)
FY 05-06

Sources:

LAC+USC Healthcare Network
Salaries & Employee Benefits
MN4-HG-60010-1000 \$12,893,000

Uses:

LAC+USC Healthcare Network
Services & Supplies
MN4-HG-60010-2000 \$12,893,000

Justification:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
5/16/06
m:\excel\budget\05-06\LAC+USC-SandS-BA1.xls


Efrain Munoz, Chief
DHS Controller's Division

BA # 365 *Helen Jung*
5-18-06

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2005-06

Dept No. 160

(3-VOTE)
FY 05-06

Sources:

LAC+USC Healthcare Network
Salaries & Employee Benefits
MN4-HG-60010-1000 \$12,893,000

Uses:

LAC+USC Healthcare Network
Services & Supplies
MN4-HG-60010-2000 \$12,893,000

Justification:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
5/16/06
m:\excel\budget\05-06\LAC+USC-SandS-BA1.xls


Efrain Munoz, Chief
DHS Controller's Division

BA # 365 *Heidi Jung*
5-18-06

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2005-06

Dept No. 160

(3-VOTE)
FY 05-06

Sources:

LAC+USC Healthcare Network
Salaries & Employee Benefits
MN4-HG-60010-1000 \$12,893,000

Uses:

LAC+USC Healthcare Network
Services & Supplies
MN4-HG-60010-2000 \$12,893,000

Justification:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
5/16/06
m:\excel\budget\05-06\LAC+USC-SandS-BA1.xls


Efrain Munoz, Chief
DHS Controller's Division

BA # 365

John Fung
5-18-06

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2005-06

Dept No. 160

(3-VOTE)
FY 05-06

Sources:

LAC+USC Healthcare Network
Salaries & Employee Benefits
MN4-HG-60010-1000 \$12,893,000

Uses:

LAC+USC Healthcare Network
Services & Supplies
MN4-HG-60010-2000 \$12,893,000

Justification:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
5/16/06
m:\excel\budget\05-06\LAC+USC-SandS-BA1.xls


Efrain Munoz, Chief
DHS Controller's Division

BA # 365

Heidi Jung
5-18-06

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2005-06

Dept No. 160

(3-VOTE)
FY 05-06

Sources:

LAC+USC Healthcare Network
Salaries & Employee Benefits
MN4-HG-60010-1000 \$12,893,000

Uses:

LAC+USC Healthcare Network
Services & Supplies
MN4-HG-60010-2000 \$12,893,000

Justification:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
5/16/06
m:\excel\budget\05-06\LAC+USC-SandS-BA1.xls


Efrain Munoz, Chief
DHS Controller's Division

BA # 365 Helen J. Jorgensen
5-18-06

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2005-06

Dept No. 160

(3-VOTE)
FY 05-06

Sources:

LAC+USC Healthcare Network	
Salaries & Employee Benefits	
MN4-HG-60010-1000	\$12,893,000

Uses:

LAC+USC Healthcare Network	
Services & Supplies	
MN4-HG-60010-2000	\$12,893,000

Justification:

This budget adjustment is necessary to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs for Fiscal Year 2005-06. This budget adjustment does not affect net County cost.

EM:js
5/16/06
m:\excel\budget\05-06\LAC+USC-SandS-BA1.xls


Efrain Munoz, Chief
DHS Controller's Division